

this end in view they have taken an option of purchase over the Golden Cross 10-head stamp-battery, owned by the Waitekauri Gold-mining Company (Limited), with the intention of having it removed to the mine.

Scotia Claim.—This claim (which is situated west of the Waitekauri Township, and on which a good deal of prospecting-work had been previously done) was recently taken up on behalf of a syndicate represented by Messrs. Morgan and Collins who have been carrying on prospecting operations. They were successful in discovering a small leader from which some very rich stone was obtained, but as it was very small—varying from $\frac{1}{2}$ in. to 3 in. in thickness—the amount of crushing-dirt obtained up to the end of the year was limited. Two men were employed.

Maori Land.—This ground, which was formerly known and worked as the “Young New Zealand,” and on which a good deal of work had been done, was taken up early in the year by a syndicate represented by J. M. Haslett, who had previously been in charge of the operations of the old company. He considered that the ground should get a further trial by extending the No. 2 level to a point where it was expected the Welcome Lode would be intersected. Sufficient capital having been raised, a contract was let to a party of six men; and, after driving a short distance, the reef was intersected. It was found to vary from 1 ft. 6 in. to 3 ft. in thickness, and, although no gold has been seen, sufficient work has not yet been done to prove its value. The ventilation became so defective that it was found necessary to give instructions to the manager to have it improved before proceeding further. Six men have been employed.

OWHAROA

Rising Sun Gold-mining Company.—During the first part of the year operations were confined to prospecting the lode at different points, a winze being sunk from the low level to a depth of 43 ft. to ascertain its value. The prospects met with not being considered payable, and the funds of the company becoming exhausted, protection was asked for, and granted, to enable the company to raise further capital. From two to three men were employed during the year.

May Bell (late Waitekauri King) and *Eclipse Falls* have employed two men each, but nothing of importance has been unearthed in either.

KARANGAHAKE.

The New Zealand Crown Mines (Limited).—The result of operations carried on in this mine for the past year has not, I am sorry to state, so far proved to be of as satisfactory a nature as might be desired. The returns for the period under review show a considerable falling-off on the previous year's output. This is accounted for by the disappointing nature of the developments in the lower levels and a general falling-off in ore-values throughout the mine, which necessitates reducing the crushing-capacity of the battery and the discharge of a number of employees in the mine. The main incline shaft (which is down a depth of 506 ft. below the Waitewheta Tunnel) has been at a standstill during the year, and although a large Worthington pump has been fitted up at the No. 4 level to assist the 12 in. plunger lift, it has not been considered advisable by the management to open out the No. 5 level from the bottom of the shaft, or to sink the shaft to a greater depth. The present pumping plant is considered insufficient to cope with the large influx of water; but this question is, I am informed, at present engaging the attention of the company, the erection of a more powerful pumping plant being proposed. If this proposal is carried out the prospecting and development of the property at deeper levels can be undertaken. On the success of this work the permanence of the mine in a great measure depends. No doubt the cost of winning the ore from deeper levels (should this work be undertaken) will be materially increased by the extra expense of pumping and winding to the Waitewheta (or output) level in comparison with the expense previously existing in winning the ore, a greater portion of which was obtained from the higher levels water-free. One of the principal works in hand at present is the opening-up and prospecting a block of ground (a considerable distance south of the main incline shaft) from the bottom of a winze which was sunk from the No. 3 level to a depth of 242 ft., and on which a small winding and pumping plant driven by compressed air has been erected. This is opened out on the same level as the No. 5 of the incline shaft, which at some future time will be connected; then the trucking will be done at this level and raised up the main incline shaft, instead of up the present winze. From the bottom of this winze the reef (which varies from 3 ft. to 9 ft. in width) was driven on in a southerly direction for a distance of 217 ft., when the great fault was met with which practically cut out all the quartz. The level was continued on the course of a small formation through the fault and disturbed country for a distance of 506 ft., when the main reef was again picked up, with slightly better values. At present a connection is being made by rising and sinking on the reef to the No. 3 level a height of about 240 ft., which will enable the value of the ore between these levels to be ascertained, and also be the means of ventilating these workings. No. 3 level south: This level has been extended 330 ft., making the total distance from the shaft 2,276 ft., the average width of the reef being 3 ft., from which 477 tons of quartz was obtained, yielding bullion to the value of about £1,124. At the close of the previous year a fault was intersected in the level about 2,043 ft. south of the shaft; up to this point the value of the ore varied from £3 to £4 per ton. When the reef was again found on the western side of the fault the value of the ore had fallen to about £1 per ton, and no improvement took place in values until June, when good ore was cut into. This proved to be a rich patch giving an average value for the month of about £5 per ton. In July the value of the ore dropped to 18s. 6d. per ton and the following month to 15s. per ton. The average gross value of all the ore mined during the company's financial year was £1 19s. 8½d. per ton or 12s. 3½d. per ton less than the previous year. In the higher levels above Waitewheta tunnel a few parties of tributaries are employed working on some of the smaller reefs and leaders, some of whom have obtained payable returns from crushings which were treated at the company's battery. Two hundred and four men have been employed during the year.